

The Darcy - Bethesda, MD
Workforce Housing Resale Pricing Examples¹
Resale During the Control Period

Assumptions: Ten year average percent change in CPI at point of initial sale is 2.5%²
 Allowance for transfer and recordation taxes is 1.1%

Example 1 Year of Resale: 5

\$343,675	Original Sales Price, 2015 (Less Fees/Points)
+ \$42,959	2.5% CPI per year
<u>\$386,634</u>	Subtotal
+ \$23,198	Maximum Real Estate Commission (6%) ³
<u>\$409,832</u>	Total Resale Price

If: \$409,832 is affordable to a Certified Household as determined by DHCA (a household at or below 120% of median income)

Then: The WFH Unit must be offered to Certified Households for at least 90 days
 DHCA has first right of refusal

Seller Keeps: \$42,959 (CPI increase)

Example 2 Year of Resale: 10

\$343,675	Original Sales Price (Less Fees/Points)
+ \$85,919	2.5% CPI per year
<u>\$429,594</u>	Subtotal
+ \$25,776	Maximum Real Estate Commission (6%)
<u>\$455,369</u>	TOTAL

If: \$455,369 is not affordable to a Certified Household as determined by DHCA (a household at or below 120% of median income)

Then: Seller may sell at market price and must pay shared profit to County (see below)

a. Market Sales Price = \$550,000

\$343,675	Original Sales Price (Less Fees/Points)
\$85,919	2.5% CPI per year
\$33,000	Maximum Real Estate Commission (6%)
<u>\$6,050</u>	Allowance for Transfer & Recordation Taxes (1.1%)
<u>\$468,644</u>	Total

\$81,356	Excess Proceeds are equal to Market Price less all of the above
	Excess Proceeds are greater than the \$10,000 maximum to Seller
<u>\$10,000</u>	Seller's Share of Excess Proceeds
<u>\$71,356</u>	Remainder of Excess Proceeds to HIF

Seller Keeps: \$95,919 (CPI Increase + Share of Excess Proceeds)

b. Market Sales Price = \$480,000

\$343,675	Original Sales Price (Less Fees/Points)
\$85,919	2.5% CPI per year
\$28,800	Maximum Real Estate Commission (6%)
<u>\$5,280</u>	Allowance for Transfer & Recordation Taxes (1.1%)
<u>\$463,674</u>	Total

\$16,326	Excess Proceeds are equal to Market Price less all of the above
	Excess Proceeds are greater than the \$10,000 maximum to Seller but less than \$20,000
<u>\$10,000</u>	Seller's Share of Excess Proceeds
<u>\$6,326</u>	Remainder of Excess Proceeds to HIF

Seller Keeps: \$95,919 (CPI Increase + Share of Excess Proceeds)

c. Market Sales Price = \$470,000

\$343,675	Original Sales Price (Less Fees/Points)
\$85,919	2.5% CPI per year
\$28,200	Maximum Real Estate Commission (6%)
\$5,170	Allowance for Transfer & Recordation Taxes (1.1%)
<u>\$462,964</u>	Total
\$7,036	Excess Proceeds are equal to Market Price less all of the above
\$7,036	Excess Proceeds are less than the \$10,000 maximum to Seller
	Seller's Share of Excess Proceeds (Seller keeps full amount)

Seller Keeps: \$92,955 (CPI Increase + Share of Excess Proceeds)

¹ These resale pricing examples are for illustrative purposes only and should not be relied upon as the basis of any contract, warranty or other claim. DHCA and Seller make absolutely no representation or warranty regarding actual sale price of a WFH unit, actual change in CPI, actual permitted or achievable resale price of a WFH Unit, or other factors.

² DHCA does not compound the CPI increase for purposes of these calculations. DHCA and Seller make absolutely no representation or warranty regarding the actual change in CPI that may apply to any given sale of a WFH unit.

³ Real estate commission is only allowed if a licensed agent is used